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SIPDIS

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SUBJECT: DASD SEDNEY'S AUG 27-28 MEETINGS WITH JAPANESE OFFICIALS, DIET MEMBERS ON DPRI, AFGHANISTAN

REF: TOKYO 2367

Classified By: James P. Zumwalt, Charge d'Affaires, a.i.; Reasons: 1.4 (b/d)

SUMMARY

- 11. (C) In August 27-28 meetings with former and current Japanese government officials and influential Diet members from both the ruling and opposition parties, visiting Deputy Assistant Secretary of Defense (DASD)/East Asia David Sedney emphasized the importance of implementing as agreed the bilaterally agreed plans for the realignment of U.S. Forces, particularly on relocating Futenma Air Station to Camp Schwab in Okinawa, as well as transferring U.S. Marines to Guam. He also called for continued and expanded Japanese contribution to Afghanistan. Ruling coalition Diet members and Japanese government officials assured DASD Sedney that the FRF replacement will move forward, but that local politics have hampered progress to an extent. Current and former Japanese officials indicated conflicting understandings on the status of a second runway to be constructed at Naha Airport. Opposition lawmakers made no attempt to hide their disagreement with the realignment process and concerns about the necessary financial contribution by Japan, but welcomed continued dialogue with U.S. officials on the issue, as well as the U.S.-Japan Alliance. END SUMMARY.
- (U) From August 27 to 28, DASD for East Asia David Sedney met with Administrative Vice Minister of Defense Kohei Masuda, Ministry of Defense (MOD) Defense Policy Director General Nobushige Takamizawa (Takamizawa also met with Sedney for a long, informal session), Assistant Chief Cabinet Secretary Atsuo Saka, as well as MOFA European Affairs DG Nobukatsu Kanehara (reftel), MOFA Foreign Policy Bureau DDG Kazuyoshi Umemoto, and MOD DDG Ryutaro Matsumoto. Sedney also chaired a meeting of the Defense Policy Review Initiative (DPRI) 4P (Four Principals) Process. He also met with the following members of the Japanese Diet: former Defense Minister Fukushiro Nukaga (LDP), Ministry of Foreign Affairs (MOFA) Parliamentary Vice Minister Yasutoshi Nishimura (LDP), Rep. Tetsuzo Fuyushiba (New Komeito) Democratic Party of Japan (DPJ) Secretary General Yukio Hatoyama, and Rep. Keiichiro Asao (DPJ). DASD Sedney was accompanied by Embassy Pol-Mil Chief and other Embassy

DPRI/FRF/GUAM

- ¶3. (C) DASD Sedney underscored in all his meetings the importance of implementing as agreed the realignment of U.S. Forces per the DPRI. DPRI is the biggest priority for the U.S. Government in terms of Alliance issues. Successful and timely relocation of Futenma Air Station to Camp Schwab by 2014 -- the linchpin of the Agreed Implementation Plan (AIP))- is a necessary precondition for the movement of U.S. Marines to Guam. Successful realignment allows the two countries to transform the Alliance to be able to deal effectively with multiple security challenges and reduces the burden on local communities. As both governments agree at the highest levels on implementation of the plan, the United States looks to Japan to uphold its commitments, Sedney said.
- 14. (C) MOD DG Takamizawa gave DASD Sedney a read-out of an earlier meeting with Diet members where he explained the MOD's budget request for FY 2009. The DG articulated the need for adequate Guam funding as part of the defense budget. Relevant ministries and agencies have all received copies of MOD's paper outlining budget priorities and the Prime Minister's Office is aware of the importance of funding for Guam this year. Takamizawa noted that if the U.S. side cannot change its laws or regulations precluding the U.S. Government from accepting a financing plan that involves a year-to-year, incremental funding scheme, then the Japanese

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government needs to manage the situation and come up with alternatives. Referring to the proposed defense ministerial in Washington the week of September 8, Takamizawa suggested that the meeting between Secretary Gates and Defense Minister Hayashi could be used effectively for persuading the Diet to approve MOD's budget request, particularly with respect to Guam. Sedney urged that any ministerial visit cover a wide range of subjects, including Afghanistan.

- 15. (C) MOD AVM Masuda said Hayashi had visited Okinawa the previous week and met with Okinawa Governor Nakaima and other local officials. Nakaima reportedly told Hayashi that movement offshore for runway construction is not possible absent rational justification. The eighth consultative meeting between the GOJ and local governments discussed forming working groups for removing potential dangers from Futenma Air Field and for local coordination between the GOJ and local officials. Sedney stressed that the United States is already doing all1 that is possible to reduce risks at
- 16. (C) Masuda opined that, given the political situation in Okinawa, a delay in starting FRF construction by eight months due to the Environmental Impact Survey (EIS) is a price worth paying in exchange for proceeding smoothly with overall realignment. He said the lost time can be made up during the construction process. Responding to Embassy Pol-Mil Chief's suggestion that MOD help the Okinawan government shorten the start time for the EIS, Masuda said that working-level coordination is insufficient and that the working group is necessary to improve communication and coordination. On Guam, Masuda stated that MOD plans to submit in next year's budget a funding request for setting up a Guam Office in Hawaii, including forty staff members.
- 17. (C) Former Defense Minister Nukaga stressed the importance of implementing the realignment agreement and following the timeline of the AIP. While noting the political problems in Okinawa, Nukaga urged the U.S. Government not to change its position on FRF. He added that, as the architect of the FRF agreement, he has been urging MOD and other ministries and agencies to implement the AIP diligently throughout the budget process.

18. (C) ACCS Saka expressed full commitment to implementing the realignment agreement, but echoed comments by other GOJ officials on local politics and the FRF. Based on his meetings with Governor Nakaima and local officials at the Prime Minister' office Saka noted that Nakaima seems intent on moving forward with the FRF in principle, but in private. Gov. Nakaima says he needs to make contrary statements in order to overcome political hurdles. The challenge is, Saka pointed out, how to make up for lost time from the delay in the EIS given the change in seasons over a calendar year and applicable laws, procedures, and ordinances. In the event EIS-related laws are violated, the GOJ will not be able to start construction. Sedney pointed out to Saka that a political EIS that resulted in a solution that pleased the Governor, but was not based on environmental considerations would not be acceptable.

MIXED MESSAGES ON SECOND RUNWAY IDEA

19. (C) DASD Sedney suggested that one way to both meet the explicit requirements of the AIP and to help garner local support for the FRF is to build a second runway at Naha Airport, a primarily commercial facility that can also accommodate U.S. military aircraft in a contingency or emergency. Such a second runway would address both local economic interests as well as capability needs of the U.S. military. The planned FRF has a short runway that cannot accommodate larger aircraft, a serious shortfall in capability for U.S. Forces. Saka claimed that previous discussions had addressed the second runway issue. He said that the problem is that the Okinawans expect a purely civilian/commercial facility and that Nakaima is highly

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unlikely to support its use for military purposes. Surveys by the Ministry of Land, Infrastructure and Transportation (MLIT) are proceeding on the assumption that the second runway will be a commercial facility. However, a helpful conversation with an aide made clear the second runway proposition was a new idea to Saka. At the end of the meeting, Saka agreed this is an issue that merited further discussion.

¶10. (C) In a separate meeting, New Komeito Rep. Fuyushiba, who had been MLIT Minister until August 1, stated unambiguously that the plans to construct a second runway at Naha consistent with the AIP has already been decided, as he had been involved personally with the issue. MLIT is currently gathering consensus from the local governments and clearing various processes and procedures. He assured DASD Sedney, however, that he will do whatever he can to help the Alliance. Responding to Sedney's point that other officials had conflicting views on the second runway, Fuyushiba underscored that he can speak definitively to the issue.

AFGHANISTAN

- 111. (C) DASD Sedney conveyed to all Japanese interlocutors his condolences for the recent killing of Japanese aid worker Kazuya Ito in Afghanistan. Sedney expressed appreciation for the inclusion of funding for CH-47 upgrades in the defense budget request, noting the seriousness of the situation in Afghanistan. He underscored that Japan's refueling operations in the Indian Ocean in support of OEF remains important to the U.S. Government and to coalition members.
- 112. (C) Rep. Nukaga said the Japanese government is preparing to persuade the Diet in the extraordinary Diet session on the current Anti-terror Special Measures Law, which expires January 15. Nukaga cautioned, however, that

the split control of the Diet between the ruling and opposition parties will make passage of a new law difficult. The ruling party is also cautious in exercising its two-thirds majority in the Upper House to force passage of the bill for a number of reasons.

- 113. (C) MOFA Parliamentary Vice Minister Nishimura asserted that he believes it is possible for Japan to participate in ISAF in some capacity despite the tendency by many Diet members to put domestic politics before national security interests. A number of Diet members from both the ruling and opposition camps support Japanese involvement in Afghanistan. Among those, however, many from the DPJ shy away from supporting the LDP's position on Afghanistan despite their personal beliefs due to the imminent general election.
- 114. (C) Rep. Fuyushiba also expressed support for additional Japanese contribution to Afghanistan. Recalling the days following 9/11, Fuyushiba explained that he had persuaded other members of his party to support the Anti-terror Special Measures Law. He argued that Japan's refueling operations in support of Operation Enduring Freedom (OEF) pales in comparison to the activities by other coalition countries. He stressed that OEF refueling is the bare minimum his country should do.

OPPOSITION DIET MEMBERS ON GUAM, AFGHANISTAN

Q5. (C) Lawmakers from the DPJ made clear their opposition to certain aspects of the realignment agreement, particularly FRF and Guam. DPJ Secretary General Yukio Hatoyama stated that the U.S. footprint on Okinawa is too concentrated, and that returning Futenma to local residents is only one of the steps needed to resolve the issue. The DPJ, he highlighted, seeks to move Futenma Air Station not only off Okinawa, but entirely out of Japan. Hatoyama urged, however, that the U.S. Government and the DPJ continue dialogue on Alliance

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issues and on Japan's role in DPRI implementation. On Afghanistan, Hatoyama noted that Japan should focus on contributing directly to the livelihood of the Afghan people than on the MSDF refueling missions.

- 116. (C) Rep. Keiichiro Asao asserted that the expected burden on Japanese taxpayers from financing the Guam project is the biggest realignment-related issue in the Diet. Many Diet members argue that the payback from the cash flow will not be sufficient to cover the direct cost to Japan. Claiming that he had compared the per unit housing cost from the Guam project with currently available housing on the economy, Asao charged that the expected costs for constructing housing for the Marines greatly exceeds that of comparable, existing housing in Guam.
- 117. (C) Sedney reiterated the importance of keeping with the Agreed Implementation Plan, as it had been negotiated carefully among the two governments and with Okinawan officials. Introducing any change at this point can lead to others and derail the process. Responding to Hatoyama's point on moving Futenma off Okinawa, Sedney underscored that maintaining military capability in Japan is necessary for our mutual security interests. The whole purpose of realignment is to enhance our deterrence capability, while removing sources of tension with the local communities.
- 118. (C) On Guam, Sedney noted that members of the U.S. Congress had also expressed concerns on the Guam project's costs. Given economies of scale, costs should go down for all involved. Moreover, Japan's contributions are capped by its AIP commitment. Sedney stressed to Asao we were only seeking that U.S. Marines and their families get housing of equivalent quality to what they get elsewhere in the world.
- 119. (U) DASD Sedney has cleared this message.